

Accessing High-Impact, *Place-Based Investments*

Glenmede has partnered with CapShift, an impact investing research provider, to offer mission-driven investors access to customizable, high-impact investment opportunities.

Identifying Opportunities

Through our partnership with CapShift, our clients have access to their investing platform and suite of solutions, allowing us to identify investment opportunities that may provide highly targeted impact in line with a client's values and mission.¹ These are often in the form of place-based strategies that focus on policies, investments and projects that address the specific needs and characteristics of a particular geographic area. The platform currently includes more than 1,600 sourced opportunities, which can be filtered by location and impact focus, including community development, food security, healthcare, affordable housing, climate resiliency and education.

High impact, place-based investments are often illiquid, and most opportunities are available only for accredited investors. These opportunities typically offer below-market rates with investment minimums as low as \$1,000. Like any investment, these should be carefully vetted with special consideration given to specific legal, tax and financial implications.

As catalytic capital, such investments can magnify impact. Catalytic capital describes equity investments, loans and other financial instruments that are designed to stimulate impact and attract third-party investment that would likely not be possible otherwise. They accept disproportionate risk and concessionary returns, and attract more mainstream investors into high-impact deals.² Your investment may serve as a first-loss reserve for a project to help unlock more traditional sources of funding, or have a money-multiplier effect by recycling capital for projects.

Accessing Opportunities

Investors can access high-impact investment opportunities through several vehicles.

CDFI Note Programs

Community Development Financial Institutions (CDFIs) provide low-interest and flexible financing.³ Investors can participate through CDFI promissory notes, which have recently become more accessible through issuer credit ratings and growing secondary market trading. A CDFI's typical term can be 3 to 10 years.

Community Loan Funds

These funds are usually facilitated by nonprofit organizations as a means to pull capital from local philanthropic partners and catalyze investments for a stated social or environmental objective. The typical term is 1 to 5 years.

Recoverable Grants

Recoverable grants are facilitated by nonprofits to invest in high-risk projects with transformational impact. If the program meets its financial and impact objectives, the nonprofit returns the grant funds to be redeployed into other projects. A grant's typical term is 1 to 10 years.

Identifying High-Impact Investing Opportunities

Glenmede can work closely with clients interested in investing in high-impact opportunities. Our Sustainable Investment team can provide a custom sourcing report for opportunities aligned with geography and impact themes, including climate resilience, access to health, quality education, affordable housing and community development.

For clients interested in a particular opportunity available through CapShift, we can provide a due diligence memo prepared by CapShift, which may be helpful in the decision-making process. If the investment is a good fit, we can also help complete the necessary subscription documentation to execute the investment.

To learn more about high-impact, place-based opportunities, please contact the the Sustainable & Impact Investing Team.

¹ Glenmede does not charge clients an additional fee to access these opportunities. Although Glenmede may accommodate a client's direction to invest in one or more of the available high-impact investments, Glenmede will not provide advice or make specific recommendations on any particular investment or whether it may be appropriate or desirable for a client.

² Brown, M., R. Kadam, and K. Klein. "Catalytic Capital in Impact Investing." Impact Finance Research Consortium (a collaboration among the Wharton School, Harvard Business School and the University of Chicago Booth School of Business). <https://esg.wharton.upenn.edu/>. (accessed March 18, 2025)

³ Opportunity Finance Network. (n.d.). U.S. Treasury CDFI Fund. <https://www.ofn.org/us-treasury-cdfi-fund/>.

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